

Activities Related to Casino Gaming Oversight

Fiscal Year 2006

January 1, 2007

Amount of Money Received and Expended

The fiscal year 2006 appropriation for casino gaming oversight was \$4,059,400. Fiscal year ending 2006 had expenditures of \$3,033,726.91 for Michigan State Police (MSP) operational expenses and payroll.

Nature and Structure of MSP Gaming Section

The Michigan State Police Gaming Section's primary focus is on criminal enforcement related activities at all three Detroit casinos. The Michigan Public Safety Communications System continues to be the primary mode of communication between the casinos and MSP personnel. Gaming Section personnel also assist the Michigan Gaming Control Board (MGCB) with regulatory matters and large-scale projects as requested. Since many criminal investigations involve regulatory matters, section personnel routinely coordinate their efforts with the MGCB. The MSP Gaming Section continues to provide assistance, as necessary, in the form of Law Enforcement Information Network (LEIN) warrant and criminal history checks, and other inquiries through the courts and other law enforcement agencies for the MGCB in conducting applicant background investigations.

In FY06, the MSP Gaming Section was reorganization during which the Special Operations Team was created. The team focuses on investigations of great length and complexity including dealer-patron collusion, money laundering, loan sharking, employee embezzlement, and illegal gambling outside the casinos.

Summary of Casino Enforcement Activities

Operating from the Cadillac Place Building at 3062 W. Grand Boulevard, Suite L-700, in the City of Detroit, Gaming Section personnel work from this central location and rotate their patrols between the three casinos.

During fiscal year 2006, the Gaming Section affected 397 arrests. These included felony arrests for embezzlement, cheating at gaming, fraudulent activities, larceny, dealer-patron collusion, and conspiracy. Misdemeanor arrests included charges of underage gambling, minor in possession of alcohol, and trespass by disassociated persons. Additionally, numerous fugitive arrests were made satisfying 80 fugitive warrants. Gaming Section personnel continue to work with the FBI's Organized Crime Unit to ensure organized crime does not infiltrate Detroit casinos through suppliers and vendors.

Counterfeit money continues to surface at Detroit based casinos. MSP Gaming Section responded to 128 complaints of patrons in possession of counterfeit money, seizing \$6,494. Additionally, the three casinos identified another \$7,875 in counterfeit currency within their cash cages. Individuals found to be in possession of the counterfeit money maintain they received the money from stores, banks, and other casinos during legitimate business transactions. Investigators continue to track occurrences via an in-house database to identify patterns and people.

In all, the Gaming Section conducted 845 criminal complaint investigations during FY06. The largest numbers of investigations were of fraudulent activities and counterfeit currency. A significant amount of the fraudulent activity is related to the cashing of counterfeit, forged, and stolen checks. MSP Gaming Section continues to work toward increasing constraints on the casino's check cashing procedures in an effort to reduce this criminal activity.

Disassociated Persons

A program offered by the MGCB allows problem gamblers to disassociate themselves from the Detroit casinos and their affiliates. The Disassociated Persons List (DPL) currently consists of 1,476 individuals. Disassociated persons are excluded from frequenting the casinos for life. Violating the exclusion is a misdemeanor offense and subjects the disassociated person to forfeiture of all gambling proceeds in their possession, if any. During the fiscal year, MSP Gaming Section conducted 128 investigations of disassociated persons. Gambling proceeds in the amount of \$84,928 were seized, forfeited, and turned over to the Michigan Department of Community Health, Compulsive Gambling Prevention Fund.

Investigative Highlights

- During Super Bowl week, intelligence information was received that out-of-state pickpocket teams may arrive in Detroit to target the large crowds. A victim of one such pickpocket contacted detectives from the Gaming Section. Investigation revealed the victim's credit card was used multiple times that day to rent rooms at a motel across the street from the MotorCity Casino. Surveillance on the motel was established and three individuals from Chicago were approached by detectives when they began to enter one of the rooms under surveillance. A search of the room located the identification and credit card of the initial victim as well as three additional victims. The suspects were arrested and lodged on charges of Identity Theft, Possession of a Financial Transaction Device, and Conspiracy.
- Twenty-eight investigations of illegal gambling operations have been initiated by the Gaming Section this year. These investigations have resulted in the execution of 12 search warrants, 13 arrest warrants, and the seizure of over \$12,000 in illegal gambling proceeds and more than 40 electronic gaming devices. During the execution of a search warrant in one of these investigations, a patron at the target establishment was found to be in possession of marijuana (6 ounces), powder cocaine (21 grams), crack cocaine (10 grams), heroin (2 grams), Vicodin, and OxyContin, all individually packaged for sale, along with \$1,734 cash, and a Smith and Wesson .38 caliber revolver.
- The Gaming Section, notified by MotorCity Casino of suspicious activity, initiated surveillance on two subjects from Indiana. The men used the casino's cashier to exchange over \$12,000 in small denomination bills for large denomination bills on three separate transactions within a 25 minute period without any gambling activity. When the suspects left the casino, a traffic stop was conducted and the vehicle was searched with the owner's consent. This search resulted in the discovery of an additional \$40,000 cash. During interviews, the suspects changed their stories several times but ultimately admitted all of the cash were the proceeds of a high stakes poker game at a private residence in Auburn Hills. Both men were charged with money laundering and \$52,000 was seized for forfeiture.
- Each week for the past six years, Guardian Armored Car has delivered \$2,000,000 to MotorCity Casino without incident. In January 2006, two of the weekly deliveries were short for a total amount of \$3,000. Because the cash is not immediately counted down when it is delivered, it was not apparent if there had simply been an error made by the bank or if a theft had occurred at the casino or while the money was enroute. Gaming Section personnel reviewed hours of surveillance tape and conducted numerous interviews. Ultimately, a confession was obtained from the driver of the Guardian Armored Car. The driver was convicted of a felony larceny charge.
- MotorCity Casino suffered a theft of \$36,950 in gaming cheques from an unoccupied Blackjack table. The investigation revealed the suspect hid under a Blackjack table which was closed. Over the course of approximately one hour the suspect can be seen, on tape, attempting to break open the cheque case. Numerous times he reached up from under the table trying to break the case. At one point, the suspect came out from under the table, jumped up and sat on the cover to break it. The suspect then cashed in the cheques at the cashier's cage, even taking the time to provide identification and complete the required Cash Transaction Report with his real name. The suspect had purchased a car from a local dealership within hours of stealing the money. The vehicle was recovered and funds were returned to the casino. The suspect was charged and convicted of larceny.

The Michigan Department of State Police and the Michigan Gaming Control Board, in conjunction with the City of Detroit Fire Department, are responsible for emergency management training at the casinos. They are required to annually train licensed casino security and surveillance personnel in critical incident management. The training is designed to prepare casino surveillance and security personnel in the proper procedures to follow in the event of a fire, robbery attempt, bomb threat, WMD (weapons of mass destruction) incident, medical emergency, or other major emergency. Each of the three casinos participated in a block of instruction on the National Incident Management System presented by the Department of Homeland Security, fulfilling their training requirement.

Positions and Classifications of Employees Currently Assigned (27 FTE's)

1	Inspector, State Administrative Manager 16
1	Detective First Lieutenant, State Police Detective First Lieutenant 15
2	Detective Lieutenant, State Police Detective Lieutenant 14
3	Detective Sergeant, State Police Detective Sergeant 12
18	Detective Specialist, State Police Detective Specialist /Trooper 11
2	Management Assistant, Secretary 9
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Number of Full Time and Part Time Employees and Aggregate Number of FTE's

The authorized staffing is 32 full time employees, of which 3 detective sergeants and 2 detective specialists are vacant.

Number of Enlisted and Civilian Positions

Of the 32 positions currently assigned, 30 are enlisted and 2 are civilian.

Duties and Responsibilities of Assigned Employees

Inspector - State Administrative Manager 16 (Commander) – This officer serves as an East Region Special Investigation Division (ERSID) Assistant Commander and as Gaming Commander. This position provides leadership, direction, administration, and supervision to ERSID personnel and all of its investigative initiatives operating in the City of Detroit.

The position provides primary command responsibilities for the Gaming Section and shares responsibilities with the Attorney General and the MGCB for the licensing, regulation, and enforcement of legalized gaming in the State of Michigan.

This officer also acts as a liaison with federal, state, and local authorities to maintain cooperative team efforts and establish professional gaming standards, as well as to help enhance the quality of life in the Metro Detroit area. This officer supervises, administers, and provides leadership for State Police resources and personnel committed to the licensing, regulation, and enforcement of gaming and criminal enforcement initiatives in Detroit.

D/Lt. 15 – State Police Detective First Lieutenant 15 (Section Commander) – This position is responsible to command the Gaming Section, which is charged to assist the MGCB in regulating and enforcing Michigan law at three Detroit-based casinos. This officer is also responsible to the Commander for the coordination and provision of State Police services and resources necessary for the licensing, regulation, and enforcement of legalized gaming in the State of Michigan. These duties are performed at the direction of the Commander when he/she is available, and may assume the position of command when the Commander is not available. The officer may be contacted for duty any hour of the day. This officer is also responsible to supervise detective lieutenants, detective sergeants, detective specialists, and secretaries assigned to the section.

D/Lt. 14 - State Police Detective Lieutenant 14 (Casino Operations Team Leader) – This officer is responsible for the coordination and provision of State Police activities, services, and resources necessary for the regulation and enforcement of legalized gaming in the State of Michigan. This officer also serves as a casino team leader at a licensed casino operation, providing assistance, as necessary, to the MGCB to ensure effective regulatory and enforcement measures are in place. These duties are performed at the direction of the section commander when he/she is available, and may assume the position of command when the section commander is not available. The employee may be contacted for duty at any hour of the day.

D/Lt. 14 - State Police Detective Lieutenant 14 (Special Operations Team Leader) – This officer is responsible for the administration and supervision of the Gaming Section's Special Operations Team in its conduct of complex conspiratorial crimes within the three Detroit casinos and illegal gambling operations outside the casinos. These positions also provide and coordinate investigative support services, information, intelligence data, and training expertise in areas including, but not limited to, illegal gambling, money laundering, embezzlement, dealer patron collusion, and identity theft. These duties are performed at the

direction of the section commander and may assume the position of command when the section commander is not available. The employee may be contacted for duty at any hour of the day.

D/Sgt. 12 – State Police Detective Sergeant 12 (Casino Operations Supervisor) – This officer provides supervision to Casino Operations detective specialists assigned to the section. Upon MGCB requests to help ensure proper compliance with the Michigan Gaming Control Board and Revenue Act, the Administrative Rules, and Casino Internal Controls, these officers assign regulatory inspections and other related projects and tasks to detective specialists. This position also supervises investigations into criminal activity at the casinos and assists detective specialists in completing their assignments, duties, and investigations. These duties are performed at the direction of the section commander, and the employee may be contacted for duty at any hour of the day.

D/Sgt. 12 – State Police Detective Sergeant 12 (Special Operations Supervisor) – This officer provides supervision to Special Operations detective specialists assigned to the section. Duties include assisting the team leader in conducting, assigning, and monitoring investigations, reviewing reports, and controlling and accounting of sub-unit account funds. In the absence of the Detective Lieutenant 14, it serves as acting team leader. These duties are performed at the direction of the section commander, and this employee may be contacted for duty at any hour of the day.

D/Spl. 11 – State Police Detective Specialist Trooper 11 (Casino Operations Patrol/Investigator) – This officer's primary function is to patrol for criminal violators, respond to criminal activity, initiate investigations into casino-related crimes, and provide for public safety. This officer also conducts regulatory inspections and other related tasks, as directed by superiors, when requests are received from the MGCB. These duties are performed at the direction of Casino Operations supervisors, and the employee may be contacted for duty at any hour of the day.

D/Spl. 11 – State Police Detective Specialist Trooper 11 (Special Operations Investigator) – This officer functions as part of a team assigned to conduct investigations of complex conspiratorial and financial crimes including embezzlement, dealer/patron collusion, identity theft, and money laundering which occur inside the casinos as well as illegal gambling operations outside the casinos. These duties are performed at the direction of the Special Operations supervisor, and this employee may be contacted for duty at any hour of the day.

Management Assistant - Secretary 9 – This position serves as a management assistant to either the ERSID Commander or the Gaming Section Commander. Duties include coordination of office activities and performance of secretarial assignments for management staff in support of ongoing operations that surround ERSID enforcement activities in the City of Detroit, which include the licensing, regulation, and enforcement of legalized gaming. This position also tracks budgetary expenses and processes financial transactions.

Immediate Past Position of the Enlisted Employees Assigned

<u>Employee</u>	<u>Current Position</u>	<u>Immediate Past Position</u>
Insp.	Sector I Commander	D/F/Lt. – ISB, SECID, North Region Investigative Support Section
D/F/Lt.	Section Commander	D/Sgt. – ISB, Field Detective Division Metro South Post
D/Lt.	Special Operations Team Leader	D/Lt. – FSB, ERSID Gaming Section Casino Team Leader
D/Lt.	Casino Team Leader	D/Sgt. – FSB, ERSID Gaming Section Enforcement Supervisor
D/Sgt.	Special Operations Supervisor	D/Sgt. – ERSID Gaming Section Enforcement Supervisor
D/Sgt.	Casino Operations Supervisor	Sgt. – USB, 2 nd District Detroit Post

D/Sgt.	Casino Operations Supervisor	Sgt. – USB, 2 nd District Metro North Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Richmond Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Detroit Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Spl. – ISB, SECID, North Region ISS, Mint Team 2
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol FSB – 7 th District, Manistee Post #77
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Metro South Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Metro South Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Tpr. – FSB, ERSID, Sector II MINT Surveillance
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol FSB – 1 st District, Brighton Post #12
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Tpr. – FSB, Region II SID, Sector II COMET
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Tpr. – FSB, ERSID, Sector II MINT Surveillance
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Richmond Post
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Spl. – ISB, SECID, South Region DRANO
D/Spl.	Casino Operations Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol FSB – 2 nd District, Ypsilanti Post #26
D/Spl.	Special Operations Investigator	D/Spl. – Enforcement Patrol/Investigator FSB, ERSID, Sector I, Gaming Section
D/Spl.	Special Operations Investigator	D/Spl. – Enforcement Patrol/Investigator FSB, ERSID, Sector I, Gaming Section
D/Spl.	Special Operations Investigator	D/Spl. – Enforcement Patrol/Investigator FSB, ERSID, Sector I, Gaming Section
D/Spl.	Special Operations/Casino Operations Court Officer	D/Spl. – Enforcement Patrol/Investigator FSB, ERSID, Sector I, Gaming Section